

ASSEMBLY BILL

No. 2972

Introduced by Assembly Member Nava

February 24, 2006

An act to amend Sections 6244 and 6872.5 of, and to add Section 6872 to, the Public Resources Code, relating to oil and gas leases.

LEGISLATIVE COUNSEL'S DIGEST

AB 2972, as introduced, Nava. Oil and gas leases: state waters.

Existing law authorizes the State Lands Commission to lease tide and submerged lands and beds of navigable rivers and lakes for the extraction of oil and gas, as specified. Existing law authorizes the commission to adjust the boundaries of existing leases in those areas to encompass all of a field partially contained within the lease, subject to the commission making certain findings.

This bill would provide that an application for oil and gas development in state waters that is determined to be incomplete by the commission shall be deemed to be a stale application one year after the date of the first incomplete notice sent to the applicant by the commission. The bill would require when an application is stale that the applicant submit a new application. The bill would add as a finding that the oil or gas to be developed from the new area will not increase the life expectancy of ancillary support facilities, including pipelines, drilling facilities, or processing facilities, envisioned in any original permit approval, staff report, or environmental impact report document.

Existing law authorizes the State Lands Commission to enter into a lease for extraction of oil or gas from state-owned tide and submerged lands in the California Coastal Sanctuary under certain conditions.

This bill would prohibit the commission from entering into that type of lease on those lands, unless it can be determined that the oil or gas to be developed pursuant to the lease will not increase the life expectancy of ancillary support facilities, including pipelines, drilling facilities, or processing facilities envisioned in any original permit approval, staff report, or environmental report.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6244 of the Public Resources Code is
2 amended to read:

3 6244. (a) The commission may enter into ~~any~~ a lease for the
4 extraction of oil or gas from state-owned tide and submerged
5 lands in the California Coastal Sanctuary, if the commission
6 determines that those oil or gas deposits are being drained by
7 means of producing wells upon adjacent federal lands and the
8 lease is in the best interests of the state.

9 (b) *The commission shall not enter into a lease for the*
10 *extraction of oil or gas from state-owned tide and submerged*
11 *lands in the California Coastal Sanctuary, unless it can be*
12 *determined that oil or gas to be developed pursuant to that lease*
13 *will not increase the life expectancy of ancillary support*
14 *facilities, including pipelines, drilling facilities, or processing*
15 *facilities, envisioned in any original permit approval, staff*
16 *report, or environmental impact report document.*

17 SEC. 2. Section 6872 is added to the Public Resources Code,
18 to read:

19 6872. (a) An application for oil and gas development in state
20 waters that is determined to be incomplete by the commission
21 shall be deemed stale one year after the date of the first
22 incomplete notice sent to the applicant by the commission.

23 (b) If an application has been determined to be stale, pursuant
24 to subdivision (a), the applicant shall submit a new application.

25 SEC. 3. Section 6872.5 of the Public Resources Code is
26 amended to read:

27 6872.5. The commission may adjust the boundaries of
28 existing leases to encompass all of a field partially contained

1 within the existing lease subject to both of the following
2 conditions:

3 (a) The commission makes all of the following findings:

4 (1) The adjustment will permit more efficient utilization of
5 state resources.

6 (2) The number and size of existing offshore platforms will
7 not be increased, except that modifications to a platform within
8 the existing boundaries of a lease shall be permitted where the
9 modifications are reasonably necessary for development of all of
10 the resources within the reconfigured lease.

11 (3) The boundary adjustment will not require the construction
12 or major modification of a refinery in this state to permit
13 development of any increased production resulting from the
14 boundary adjustment, unless that construction or major
15 modification is to a field production facility servicing the lease.

16 (4) The boundary adjustment represents the environmentally
17 least damaging feasible alternative for the extraction and
18 production of affected resources.

19 (5) *The oil or gas to be developed from the new area will not*
20 *increase the life expectancy of ancillary support facilities,*
21 *including pipelines, drilling facilities, or processing facilities,*
22 *envisioned in any original permit approval, staff report, or*
23 *environmental impact report document.*

24 (b) Those parts of the field within areas added to the existing
25 lease may not be developed except from upland sites or from
26 existing offshore facilities within the original lease boundaries.